CHAIRMAN AND CEO's STATEMENT

InfraStrata's focus during the period has continued to be on its projects in Northern Ireland where we are seeking to monetise our 65% interest in the Islandmagee gas storage project and are about to drill an exploration well on licence PL1/10 for which we have a carried 10% interest.

At Islandmagee, following the successful completion of the 2015 salt core well programme to demonstrate the technical feasibility of the project, the next phase would be Front End Engineering and Design ('FEED') for which the EU has offered further grant support. The team at InfraStrata is now fully engaged in the process to attract new investors into the project and monetise all or part of our interest.

On licence PL1/10 we completed the funding of the fully permitted Woodburn Forest-1 well in January 2016 and with site construction underway we expect to commence drilling in May 2016. InfraStrata will be fully carried for its 10% interest through the well which is targeting 25 mmbo of the combined un-risked P50 prospective resources on the licence of over 450 mmbo.

Financially the Group is in a much more secure position than it was when we announced our annual results in December 2015 with over £900,000 of new cash received from the issue of shares, the sale of exploration and evaluation assets and the receipt of back costs under farmout agreements up to 31 January 2016. Subsequent to the period end we have received a further £500,000 from a data sharing agreement and expect to receive the final £300,000 from disposal of exploration assets to Corallian prior to commencement of Woodburn Forest-1 drilling. The Group now has sufficient resources to progress its work through to the end of 2016.

GAS STORAGE & INFRASTRUCTURE

Islandmagee project – County Antrim

Islandmagee Storage Limited ("IMSL") is an independent Northern Ireland registered company and is a joint venture between a wholly-owned subsidiary of InfraStrata (currently 65% shareholder) and Moyle Energy Investments Limited ("Moyle"), part of the Mutual Energy group of companies (currently 35% shareholder).

The project has unique advantages including being immediately adjacent to gas and electrical infrastructure, the salt being at an optimum depth for gas storage and close to a water source for solution mining of the salt to create the caverns. The project is also designed to access the extrinsic value of the gas storage market in the UK and Ireland by being able to respond to short-term volatility. We believe no other location on the island of Ireland is suitable for the development of salt cavern gas storage; Northern Ireland has a valuable geological asset which when developed for underground salt cavern gas storage will make a significant contribution towards security of gas supplies to the wider region, including the north and south of the island of Ireland and mainland Great Britain.

Rapid deliverability of gas supplies will become increasingly important to support the intermittent renewable power generation already deployed and planned across the island of Ireland and Great Britain. The increasing amount of wind generation in the system is putting significant strain on the gas infrastructure in Ireland with periods of peak demand rising year-on-year as gas-fired power stations respond to the great swings in output from the intermittent renewable power sources. The gas storage facility would help alleviate these infrastructure pressures and make a key contribution to policy objectives on renewable power - through its ability to rapidly inject and withdraw gas it can provide the short term flexibility needed to support the intermittent nature of wind generation.

Natural gas will also have a key role to play as a bridge to a zero carbon economy with more reliance being placed on gas to backup wind and other renewable sources as coal generation is closed. Increasingly storage will be required to provide fast delivery of gas to the system.

The proposed gas storage facility will make a significant contribution to the security of gas supplies for the whole island of Ireland. Ireland is dependent on gas for around 40% of its electricity generation with the majority of the island's gas imported via a single pipeline from Scotland. The facility, when complete, will store enough gas to satisfy Northern Ireland's demand for around 50 days**.** The facility is expected to be fully operational by Q4 2021 with the first caverns operational in 2020.

The strategic importance of the Islandmagee gas storage facility outlined above is recognised in the project being awarded Project of Common Interest ("PCI") status by the European Union. This status was first awarded in November 2013 but was reconfirmed in November 2015 for a further two years. PCI status also means that the project benefits from accelerated permitting procedures and improved regulatory conditions making it more attractive to investors. In addition, a PCI can apply for significant financial support from the European Union's Connecting Europe Facility ("CEF") including grants for both studies and works. A budget of €5.35 billion has been allocated under CEF for 2014-20 for PCI projects. Assistance may be in the form of direct grant or other forms of financial backing from institutions such as the European Investment Bank.

To date over £11 million has been expended on the project, to acquire 3D seismic data, drill a well to acquire salt cores, undertake engineering design work, acquire rights on the full land assembly, and obtain planning permission and other consents required to construct the project.

During 2015 a data gathering well (Islandmagee-1) was successfully drilled to a total depth of 1,753 metres obtaining wireline data and cores of the 185.8 metre Permian salt sequence encountered. Core samples were sent to Germany to undertake laboratory analyses and the test results on the salt cores and rock mechanics have now been incorporated into the subsurface and surface facility preliminary design and cost estimates for the project have been updated. This £3.8m programme of work was co-funded by a €2.5 million grant from the CEF. The overall results from the technical programme of work are positive and the objective to confirm the feasibility of the development of an underground gas storage facility in salt caverns in this location has been met. The thickness and depth of the salt and the proximity of key services (electricity supply, water and the gas network) give the project a significant unit capital cost advantage with an estimated capital cost of £300 million.

In May 2015 the Company concluded a Convertible Loan Facility Agreement with Baron Oil Plc ("Baron") under which Baron has provided a loan for €1.8 million (£1.4 million) to InfraStrata which has been used as working capital to bridge the receipt of the CEF grant, the outstanding 70% of which amounting to €1.75 million (£1.3 million) we now expect to receive at the end of H1 2016. Baron has an accompanying option to convert the loan balance into an equity participation of 15% of the share capital of IMSL. Should the option be exercised, the equity would be provided pro-rata by InfraStrata and Moyle which would give rise to a revised current participation in the project of InfraStrata 55.25%, Moyle 29.75% and Baron 15.00%.

The next phase in the development of the project is the FEED for which we have been offered a further CEF grant of 50% of the costs up to a maximum of €4.024 million. The grant is subject to the conclusion of a grant agreement in due course.

In the meantime, in early March 2016 we announced that two advisors had been appointed to assist with the monetisation process; VSA Capital Ltd has been appointed to advise InfraStrata plc in relation to the monetisation process and Centrus Advisors LLP has been appointed by project company IMSL, to support the process at a project level. Securing good value for our shareholders through this monetisation process is a key deliverable in the coming months. A dataroom for the monetisation of the project has opened.

OIL AND GAS EXPLORATION

County Antrim – Onshore PL1/10, Offshore P2123

Petroleum Licence PL1/10 was awarded in March 2011 by the Northern Ireland Department of Enterprise, Trade and Investment ("DETI"). In January 2016 DETI approved the continuation of the licence into its second term beyond 4 March 2016 and a part surrender of 50% of the licence area, as required under the terms of the licence. The licence covers an area over what the JV group believes is a highly prospective largely unexplored sedimentary basin. Subsequently in December 2013 the JV group were awarded adjacent offshore Petroleum Licence P2123 by the Department of Energy and Climate Change ("DECC") for a period of four years. In November 2015 the JV group made a part surrender of 68% of the licence area, again to focus on the most prospective acreage on the P2123 licence. The combined area of the licences is now 857 square kilometres.

A prospectivity review of the PL1/10 licence in Northern Ireland was prepared by project geoscience consultants Merlin Energy Resources Limited ("Merlin") in 2013 and published on the Company's website (www.infrastrata.co.uk). Merlin identified combined un-risked P50 prospective resources on the PL1/10 licence in the Triassic and Permian sandstone reservoir intervals of over 450 million barrels of oil ("mmbo"), of which 25 mmbo were ascribed to the first target Woodburn Forest prospect.

During the second half of 2015 InfraStrata, together with partner Brigantes Energy Limited ("Brigantes"), focused on farming out a combined 60% interest in the PL1/10 licence in order to complete the 80% then outstanding funding for the Woodburn Forest-1 well. In November 2015 we signed an agreement, together with Brigantes, with Ermine Resources Limited ("Ermine") whereby Ermine will acquire a 15% interest (paying 20% of the Woodburn Forest-1 well costs) in the PL1/10 licence, subject to the full well funding being completed.

In January 2016 we announced that a series of Farmout Agreements ("FOA"s) had been entered into by InfraStrata and Brigantes, both together and separately, which together resulted in completion of the funding for Woodburn Forest-1 well. The additional new investors that have now entered into FOAs for the remaining 45% are Tudor Hall Energy Limited (10%), Baron Oil Plc (10%), Horizon Energy Limited (formerly called Southwestern Resources Limited) (16%) and Petro River UK Limited (9%). All the parties have or are expected to acquire corresponding interests in licence P2123. The terms of the FOAs provided for reimbursement of costs already incurred on the Woodburn Forest-1 well and on licence P2123 resulting in cash payments to InfraStrata totalling £199,170.

In order to facilitate the FOAs, the Company also signed a Supplemental Sale and Purchase Agreement ("Supplement") with Brigantes under which there was a transfer of a 5% interest in PL1/10 from Brigantes to InfraStrata, a 10% interest in P2123 from InfraStrata to Brigantes and the payment of £86,459 cash from Brigantes to InfraStrata.

Under sale and purchase agreements with Corallian Energy Limited ("Corallian") announced in November 2015 and more fully disclosed in our 2015 Annual Report, if the Woodburn Forest-1 well was fully funded and proceeded as planned, 10% of InfraStrata's remaining 20% interest in PL1/10 and a 10% interest in P2123 will be assigned to Corallian, subject to DETI and Oil and Gas Authority ("OGA") approval, in return for a further payment to InfraStrata by Corallian of £300,000 in cash. This payment must be received before the commencement of drilling operations, now expected to be in May 2016.

All of the above licence interest assignments are subject to the approval of the DETI for PL1/10 and the OGA for P2123. Assuming all agreements proceed as announced and anticipated, InfraStrata will retain a 10% operated interest in PL1/10, carried through the Woodburn Forest-1 well, and no further interest in offshore licence P2123.

In addition an Escrow Agreement has been signed by all new investors and existing partners in the project whereby the funds for drilling the well have been transferred to an account being administered by the Company's solicitors, Fieldfisher LLP.

The Woodburn Forest-1 well is being drilled under Permitted Development rights granted in December 2013. In February 2015 a 'Consent to Drill' was granted by DETI. A separate consent issued by the Northern Ireland Environment Agency (Water Management Unit) under the Water (Northern Ireland) Order 1999, which regulates the well in terms of surface water and groundwater impacts, was also granted in February 2015. All of the relevant regulatory approvals for the well have been granted. Site construction commenced on 10 March 2016. A drilling rig has been secured and commitments are being made for all drilling services and drilling is expected to commence in May 2016.

InfraStrata and its partners are committed to carrying out this conventional exploration in an environmentally responsible manner and in compliance with all conditions associated with regulatory approvals.

InfraStrata will remain as operator on the PL1/10 licence until at least the end of the Woodburn Forest well, for which we will be compensated accordingly. However we will have no commitment to pay drilling costs. Any change of operator will need the approval of DETI.

Other exploration interests

As part of the divestment of exploration assets to Corallian and its subsidiary Osmington Holdings Limited (Osmington) completed in November 2015, InfraStrata received £240,000 in cash and has the following retained interests in the exploration assets sold:

- Net profits interest ("NPI") instruments in each of P1918 (Dorset – Offshore), P2222 (East Shetland Basin – Offshore) and P2235 (Moray Firth – Offshore) of 0.5%, 0.5% and 1% respectively of the gross, representing 4% of Corallian's anticipated interest in the licences at the time of drilling the first well on the licences; and
- a 4% share of any future profits derived by Osmington from the 40% shareholdings in former associates Brigantes and Corfe sold to Osmington, again in the form of NPI instruments. Corfe and Brigantes have interests in licence P1918 and Brigantes has interests in PL1/10 and P2123.

No value has been ascribed to any of the NPI instruments retained in the Group's statement of financial position as it is not possible to determine a fair value for these instruments.

InfraStrata will remain as operator under the P1918 licence until the formal assignment of the licence interest to Corallian has been approved in due course by the OGA. However InfraStrata has no commitment to pay exploration costs and is receiving income for services rendered during the interim period.

InfraStrata will remain as licence administrator on the P2222 licence until the formal assignment of the licence interest to Corallian has been approved by OGA.

FINANCIAL RESULTS AND FUNDING

On 18 December 2015 the Company announced a placing to raise £450,625 (£421,963 after expenses) through the issue of 36,050,000 new ordinary shares of 1p each in two tranches. The first tranche of 18,880,000 shares were issued on 23 December 2015 and the second tranche of 17,170,000 shares was issued on 26 January 2016 following approval of shareholders at the Company's annual general meeting on 26 January 2016 of resolutions to provide authority to the Directors to issue and allot further new ordinary shares with exemption rights dis-applied.

In November 2015 the divestment of exploration assets to Corallian resulted in an immediate cash inflow of £240,000. In January the Company received a further £86,459 under the Supplemental Sale and Purchase Agreement with Brigantes to facilitate the farmouts of PL1/10 and P2123 resulting in total proceeds from the disposal of exploration assets during the six months to 31 January 2016 of £326,459.

Now that the Woodburn Forest-1 well is proceeding as planned, the Group expects to receive a further payment £300,000 in cash from Corallian. This payment is due before the commencement of drilling operations expected in May 2016.

On 2 February 2016 (after the end of the reporting period), the Group concluded an agreement for the sharing, interpretation and integration of data in respect of proprietary data in Northern Ireland acquired by InfraStrata for the Islandmagee gas storage project. The consideration for sharing this data is £500,000 in cash which was paid to InfraStrata. This follows a similar data agreement announced in January 2015.

On our exploration licences, InfraStrata's share of expenditure during the six months to 31 January 2016 was £39,730 (31 January 2015 - £55,757). These costs were mostly related to farmout activities, our share of licence fees and other costs incurred prior to the effective dates of the farmouts and the disposal of assets to Corallian. All significant future exploration costs will now be borne by Corallian in respect of exploration interests transferred to that company and any future costs associated with retained licence interests will continue to be funded by joint venture partners.

On the Islandmagee gas storage project, gross expenditure during the six months to 31 January 2016 was £485,669 (31 January 2015 - £201,782) comprising £110,787 costs associated with the renewal of land options and other general project costs and £374,882 costs directly attributable to the salt core well programme. In August 2015 the Company drew down the remaining £300,000 on the Baron Convertible Loan Facility which provides working capital to bridge the receipt of the EU grant in relation to the salt core well programme and will be repaid from the final grant receipt if the option to convert the loan into IMSL equity is not exercised.

InfraStrata has recorded a loss for the six month period ended 31 January 2016 of £254,782 (31 January 2015 – loss £588,048) the principal components of which are management and administrative costs of £419,895 (31 January 2015 £582,768) less the gain recorded on the disposal of exploration and evaluation assets of £156,466 (31 January 2015 Nil).

Management and administrative expenditure is further analysed in note 3 to the interim results which shows that the cash cost of management and administration in the six months to 31 January 2016 was £405,778 compared to £537,910 in the corresponding period last year. The Group's current annualised cash cost of management and administration is less than £800,000 and this will be further reduced by operator overhead recoveries as we drill the Woodburn Forest-1 well and also by any time related cost recoveries for services rendered to Corallian in relation to the ongoing management of assets sold to that company.

The Group's cash and cash equivalents at 31 January 2016 was £1,024,471 (31 January 2015 - £624,227) and net working capital was £314,859 (31 January 2015 - £154,624). After adjusting for the post period end receipt of £500,000 in relation to a data trade and the expected receipt of £300,000 from Corallian, the Group has sufficient resources to cover its anticipated project management and administrative expenditure to the end of December 2016 and to invest as necessary in the advisory and technical resources which will progress the monetisation of our interest in the Islandmagee gas storage project to deliver maximum value for shareholders in the shortest possible time.

Beyond the end of December 2016, the Group expects any funding requirements to be generated through the realisation or partial realisation of the Group's assets, most significantly its interest in the Islandmagee gas storage project. Consequently the Directors consider it appropriate to prepare the interim financial information on a going concern basis which assumes that the Group will continue in operational existence without significant curtailment of its activities for the foreseeable future.

Ken Ratcliff – Non-executive Chairman
Andrew Hindle – Chief Executive Officer
21 March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 31 January 2016

	Notes	Six months ended 31 January 2016 Unaudited	Six months ended 31 January 2015 Unaudited	Year ended 31 July 2015 Audited
		£	£	£
Continuing operations				
Revenue	2	8,594	5,138	414,106
Cost of sales		-	-	-
Gross profit		8,594	5,138	414,106
Management & administrative expenses	3	(419,895)	(582,768)	(1,144,393)
Impairment of Exploration & Evaluation Assets		-	-	(3,577,659)
Gain on disposal of Exploration and Evaluation Assets		156,466	-	-
Total administrative expenses		(263,429)	(582,768)	(4,722,052)
Operating loss		(254,835)	(577,630)	(4,307,946)
Finance income		53	1,105	1,105
Share of loss of Associates		-	(22,523)	(49,286)
Impairment of interest in Associates		-	-	(2,495,126)
Loss before taxation		(254,782)	(599,048)	(6,851,253)
Taxation	4	-	-	745,183
Loss for the period attributable to equity holders of the parent		(254,782)	(599,048)	(6,106,070)
Other comprehensive income		-	-	-
Total comprehensive loss for the period attributable to the equity holders of the parent		(254,782)	(599,048)	(6,106,070)
Basic and diluted earnings per share				
Continuing operations	5	(0.16)p	(0.60)p	(5.00)p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 January 2016

	Notes	31 January 2016 Unaudited	31 January 2015 Unaudited	31 July 2015 Audited
		£	£	£
Non-current assets				
Intangible fixed assets:				
Exploration & Evaluation		46,995	3,882,823	429,139
Gas Storage Development		5,994,949	3,843,219	5,704,951
Property, plant and equipment		440,383	440,100	440,453
Investments in associates		-	2,522,489	600
Total non-current assets		6,482,327	10,688,631	6,575,143
Current assets				
Trade and other receivables		171,746	139,047	300,408
Grant receivable		1,330,798	-	1,066,306
Cash & cash equivalents		1,024,471	624,227	430,199
Total current assets		2,527,015	763,274	1,796,913
Current liabilities				
Trade and other payables		(843,335)	(608,650)	(754,791)
Short-term convertible borrowings		(1,368,821)	-	(1,000,000)
Total current liabilities		(2,212,156)	(608,650)	(1,754,791)
Net current assets		314,859	154,624	42,122
Non-current liabilities				
Deferred income tax liabilities	4	-	(745,183)	-
Net assets		6,797,186	10,098,072	6,617,265
Shareholders' funds				
Share capital		10,834,660	9,949,160	10,474,160
Share premium		13,440,878	11,920,219	13,379,415
Merger reserve		8,988,112	8,988,112	8,988,112
Share based payment reserve		616,366	561,607	603,626
Retained earnings		(27,082,830)	(21,321,026)	(26,828,048)
Total equity		6,797,186	10,098,072	6,617,265

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 January 2016

	Share capital £	Share premium £	Merger reserve £	Share based payment reserve £	Retained earnings £	Total equity £
Balance at 31 July 2014	9,949,160	11,920,219	8,988,112	530,410	(20,721,978)	10,665,923
Loss for the period	-	-	-	-	(599,048)	(599,048)
Total comprehensive loss for the period	-	-	-	-	(599,048)	(599,048)
Share based payments	-	-	-	31,197	-	31,197
Balance at 31 January 2015	9,949,160	11,920,219	8,988,112	561,607	(21,321,026)	10,098,072
Loss for the period	-	-	-	-	(5,507,022)	(5,507,022)
Total comprehensive loss for the period	-	-	-	-	(5,507,022)	(5,507,022)
Shares issued	525,000	1,459,196	-	-	-	1,984,196
Share based payments	-	-	-	42,019	-	42,019
Balance at 31 July 2015	10,474,160	13,379,415	8,988,112	603,626	(26,828,048)	6,617,265
Loss for the period	-	-	-	-	(254,782)	(254,782)
Total comprehensive loss for the period	-	-	-	-	(254,782)	(254,782)
Shares issued	360,500	61,463	-	-	-	421,963
Share based payments	-	-	-	12,740	-	12,740
Balance at 31 January 2016	10,834,660	13,440,878	8.988,112	616,366	(27,082,830)	6,797,186

CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 31 January 2016

	Notes	Six months ended 31 January 2016 Unaudited £	Six months ended 31 January 2015 Unaudited £	Year ended 31 July 2015 Audited £
Net cash used in operating activities	6	(127,974)	(768,294)	(894,081)
Investing activities				
Interest received		53	1,105	1,105
Purchase of intangible assets:				
Exploration & Evaluation		(39,730)	(55,757)	(179,732)
Gas Storage Development		(485,669)	(201,782)	(3,663,514)
Proceeds from exploration intangible assets and associates				
Disposals		326,459	-	-
Receipt of back costs under farmout agreements		199,170	-	-
Grant received		-	-	533,694
Purchase of equipment		-	-	(424)
Net cash from/(used in) investing activities		283	(256,434)	(3,308,871)
Financing activities				
Proceeds on issue of ordinary shares		421,963	-	1,984,196
Drawdown of short term borrowings		300,000		1,000,000
Net cash generated from financing activities		721,963	-	2,984,196
Net increase/(decrease) in cash and cash equivalents		594,272	(1,024,728)	(1,218,756)
Cash and cash equivalents at beginning of period		430,199	1,648,955	1,648,955
Cash and cash equivalents at end of period		1,024,471	624,227	430,199

NOTES TO THE INTERIM RESULTS
for the six months ended 31 January 2016

1. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 July 2016.

Non-statutory accounts

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. A copy of the statutory accounts of the Company for the year ended 31 July 2015 has been delivered to the Registrar of Companies. The audit report on these accounts is unqualified and did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006.

In their report, the auditors drew attention by way of emphasis and without qualifying their report to material uncertainties which existed with respect to the ability of the group to continue as a going concern, the carrying value of the Islandmagee gas storage facility should further funds to develop the project not be secured and the carrying value of the PL1/10 license should funding not be received or the licence was not allowed to continue to its second term. The current position regarding these uncertainties is detailed below.

The financial information for the 6 months ended 31 January 2016 and 31 January 2015 is unaudited.

Accounting policies

The interim financial information has been prepared under the historical cost convention. The same accounting policies, presentation and methods of computation are followed in preparing the interim financial information as were applied in preparation of the Group's financial statements for the year ended 31 July 2015.

Going concern

Since December 2015 the Group has secured an additional £922,000 of funding through the placing of shares and a data sharing agreement. These funds provide the Group with sufficient resources to cover its project management and administrative expenditure to the end of December 2016. In addition with the funding of the Woodburn Forest-1 well now completed the Group expects to receive a further £300,000 from disposals to Corallian Energy Limited prior to commencement of drilling. The Group will invest these additional funds as necessary in the process of monetising our interest in the Islandmagee gas storage project.

The directors anticipate that additional funding to meet costs beyond the end of December 2016 will be generated through the realisation or partial realisation of the Group's assets, most significantly its interest in the Islandmagee gas storage project. Consequently the Directors consider it appropriate to prepare the interim financial information on a going concern basis which assumes that the Group will continue in operational existence without significant curtailment of its activities for the foreseeable future.

Funding for and carrying value of Islandmagee gas storage project

The Group now seeks a monetisation by way of a sale or partial sale of its interest in the project or otherwise new equity participation to take the project through the FEED phase for which grant support from the EU has been offered. Advisors have been appointed to assist in the monetisation process. There will be no commitments to significant new expenditure on the project in the absence of funding secured for that purpose.

Having reviewed the value of the Islandmagee gas storage project using the same methodologies as described in the 2015 financial statements the Directors are of the opinion that the asset is not impaired in value.

1. Basis of preparation *(continued)*

Carrying value of exploration and evaluation assets

The book value of exploration and evaluation assets remaining represents an interest in licences PL1/10 and P2123 in Country Antrim. The funding for the Woodburn Forest-1 well has been completed and InfraStrata's 20% interest in the licence is fully carried by partners through to the end of the well. DETI has approved the continuation of the licence into its second term beyond 4 March 2016. The Group now expects to receive £300,000 in cash from Corallian Energy Limited as consideration for a 10% interest in each of licences PL1/10 and P2123.

Having reviewed the value of exploration and evaluation assets using the same methodologies as described in the 2015 financial statements the Directors are of the opinion that these assets are not impaired in value.

2. Revenue

	Six months ended 31 January 2016 Unaudited £	Six months ended 31 January 2015 Unaudited £	Year ended 31 July 2015 Audited £
Licensing of seismic data	-	-	400,000
Other income	8,594	5,138	14,106
	8,594	5,138	414,106

3. Administrative expenditure

	Six months ended 31 January 2016 Unaudited £	Six months ended 31 January 2015 Unaudited £	Year ended 31 July 2015 Audited £
Administrative costs which are paid in cash	405,778	537,910	1,065,161
Non-cash items:			
- Share options expense	12,740	31,197	73,216
- Depreciation	70	-	71
- Exchange differences	1,307	-	(1,476)
Pre-licence costs written off	-	13,661	7,421
	419,895	582,768	1,144,393

4. Taxation

The gross movement on the deferred income tax account is as follows:

	Six months ended 31 January 2016 Unaudited £	Six months ended 31 January 2015 Unaudited £	Year ended 31 July 2015 Audited £
Balance at the beginning of the period	-	(745,183)	(745,183)
Credit for the period – reversal of timing differences	-	-	745,183
Balance at the end of the period (non-current)	-	(745,183)	-

5. Earnings per share

	Six months ended 31 January 2016 Unaudited £	Six months ended 31 January 2015 Unaudited £	Year ended 31 July 2015 Audited £
Loss			
The (loss) for purposes of basic and diluted loss per share being the net (loss) attributable to equity shareholders:			
Continuing operations	(254,782)	(599,048)	(6,106,070)
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	156,429,665	99,491,599	122,217,627
Basic and diluted earnings per share			
Continuing operations	(0.16)p	(0.60)p	(5.00)p

For all periods presented, share options were not dilutive as a loss was incurred.

6. Cash (used in) operations

	Six months ended 31 January 2016 Unaudited £	Six months ended 31 January 2015 Unaudited £	Year ended 31 July 2015 Audited £
Operating loss for the period	(254,835)	(577,630)	(4,307,946)
Gain on disposal of Exploration & Evaluation Assets	(156,466)	-	-
Impairment of Exploration & Evaluation Assets	-	-	3,577,659
Decrease/(Increase) in trade and other receivables	128,662	5,776	(155,585)
Increase/(Decrease) in trade and other payables	141,855	(227,637)	(81,496)
Share option expense	12,740	31,197	73,216
Depreciation	70	-	71
Cash used in operating activities	(127,974)	(768,294)	(894,081)

7. Dividend

The Directors do not recommend payment of a dividend for the half year to 31 January 2016.

8. Post balance sheet events

In February 2016 the Company and Islandmagee Storage Limited entered into a data release agreement in respect of proprietary data in Northern Ireland and received £500,000 in cash.

9. Publication of the interim report

This interim report is available on the Company's website www.infrastrata.co.uk.